

VZCZCXRO2865
OO RUEHBI RUEHCI RUEHDBU RUEHLH RUEHNEH RUEHPW
DE RUEHKA #1023/01 3130645
ZNY CCCCC ZZH
O 090645Z NOV 09
FM AMEMBASSY DHAKA
TO RUEHC/SECSTATE WASHDC IMMEDIATE 9633
INFO RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE
RUEHLO/AMEMBASSY LONDON 2176
RUEHGO/AMEMBASSY RANGOON 2927
RHHMUNA/USCINCPAC HONOLULU HI
RHHJJPI/PACOM IDHS HONOLULU HI

C O N F I D E N T I A L SECTION 01 OF 03 DHAKA 001023

SIPDIS

DEPT FOR SCA/INSB AND SCA/FO

E.O. 12958: DECL: 11/08/2019

TAGS: [PREL](#) [PGOV](#) [PINR](#) [SENV](#) [ECON](#) [MARR](#) [PHUM](#) [KDEM](#) [BG](#)

SUBJECT: PM HASINA ON THE WAY FORWARD ON BILATERAL TIES

Classified By: Ambassador James F. Moriarty. Reasons 1.4 (b) and (d)

Summary

1. (C) The Ambassador met with Prime Minister Sheikh Hasina November 5 to review his recent consultations in Washington and preview upcoming events. Topics of the wide-ranging discussion ranged from domestic (BNP-Awami League relations; civilian-military relations; corruption) to bilateral (TIFA/trade); regional (Burma, India) and global priorities (climate change and food security.) The overall conversation was upbeat; however, the Prime Minister voiced concern over perceived hurdles in Biman's lease agreement for Boeing 777s from Euro-Atlantic. Hasina rued what she viewed as the politicization of the Burma-Bangladesh border issue by the BNP opposition (septel). "Off-the-record" she requested that the USG help convey to the Bangladeshi military their obligation to accept civilian authority. The Prime Minister welcomed the Nov 10-12 visit to Dhaka by S/GWI Ambassador Verveer but was visibly reluctant to pursue improved relations with Professor Mohammad Yunus of Grameen (septel). End Summary.

A Collegial and Extensive Conversation

2. (C) The Ambassador and Prime Minister Sheikh Hasina engaged in a productive one and a half hour discussion on November 5, 2009. The conversation was warm and the Prime Minister appeared to be in excellent health and spirits. Speaking in a relaxed and affable manner, the Prime Minister welcomed the Ambassador and restated her invitation to Secretary Clinton and President Obama to visit Bangladesh. She believed both to be interested in such a visit based on her respective conversations with them during the September 2009 UNGA. The Ambassador reviewed his October visit to Cambridge, MA; Washington, D.C.; and Honolulu, HI. The Ambassador characterized his consultations as successful, with widespread recognition of Bangladesh as an important partner that shared U.S. objectives including counter-terrorism, climate change, food security, women's empowerment and development.

Basic Optimism Concerning Economy, Trade and Investment

3. (C) The Ambassador shared the sense of optimism present during the October 9-10 Harvard Conference on Bangladesh, which brought together participants from the U.S. and Bangladesh. Those present agreed that Bangladesh's economy would likely continue to grow at five percent at a minimum, but that double digit growth was achievable. The Prime Minister voiced her appreciation for the United States' positive signals in support of trade and investment in

Bangladesh. She noted that immediately prior to their meeting she had delivered remarks at a conference on market access and diversification, which the Ambassador addressed later in the day.

¶4. (C) Following up on the October visit of AUSTR Michael Delaney to Dhaka, the Ambassador tried to demystify TIFA by noting it represented an agreement to talk about issues of mutual interest. The Prime Minister advised that the TIFA issue had been cleared by the Ministry of Foreign Affairs and the decision now rested with the Ministry of Commerce. The Ambassador said he would be happy to brief the Minister of Commerce again and as needed. (Note: After the meeting, the PM instructed her principal Economic Adviser to work with the Commerce Minister to resolve outstanding issues).

Continued Misinformation about Biman-Boeing Deal

¶5. (C) In response to the Ambassador's reassurances regarding Boeing's aircraft sale, the Prime Minister's Cabinet Secretary Waheeduzzaman Molla told her, in Bangla, that a related leasing deal might be "failing" because of "new conditions" presented by the leasing agent Euro-Atlantic. In response to Molla's comments, the PM asserted the pressing need for the delivery of leased aircraft by the end of November lest Biman lose landing rights at JFK airport. The Prime Minister emphasized that she did not want to re-tender and asked that the landing rights timeline be extended if needed, since "if there is no New York route, what is the point of buying Boeing?" The Ambassador sought to assuage the Prime Minister's fears and inquired as to the nature of

DHAKA 00001023 002 OF 003

the perceived new conditions. The PM turned to her advisors including Cabinet Secretary Waheeduzzaman Molla, one of a three-member board who approved the leased contract. (Comment: The Ambassador has made clear to the PM his acute distrust of Molla, who has consistently tried to scuttle the Boeing sale in apparent efforts to personally profit off the deal. Molla had absconded from a 2-week Anti-Terrorism Assistance Course in Washington to spend time with his brother in NY. End Comment.)

¶6. (C) Based on her advisor's comments, the Prime Minister said that the aircraft "wet lease" fee had increased from \$5000 - \$6000 per hour of usage. She worried about the political consequences of a failed deal. The Prime Minister noted &I went out for this and if it is failed or if there are new conditions(it could be embarrassing. Boeing company has negotiated this. They should provide the planes." (Note: We have followed up with Boeing, which informed us that the lease arrangement has been finalized to the GOB's satisfaction.)

"The World Looks to You on Copenhagen"

¶7. (C) The Prime Minister was quick to take up the issue of climate change, recalling her remarks at the UNGA and her recent participation in a video conference on the subject with the prime ministers of Sweden, Denmark and Mexico. She explicitly stated the high expectations held for the United States on climate change saying, "The world looks to you on Copenhagen. We are all waiting for the U.S." The Prime Minister requested that this concern be conveyed at the highest level of the U.S. administration. Ambassador Moriarty applauded the Prime Minister for her leadership on climate change and recognized the PM and the Minister of State for Environment as powerful advocates for the compromises needed to bring about international agreement on this issue.

Food Security and India-Bangladesh Relations

¶8. (C) The Ambassador noted an ongoing regional meeting on food security in New Delhi. He underscored that the U.S. would continue to work with Bangladesh to advance food security in the country and region, adding that Bangladesh had lessons to teach. The Prime Minister was receptive to this message and nodded when the Ambassador expressed U.S. enthusiasm for improved ties between Bangladesh and India. She did not venture a prospective date for her reportedly planned visit to India. She also did not offer a date for the Bangladesh Development Forum (A donors' conference proposed for early 2010) meeting in Dhaka, but motioned for her advisors to come to closure on the issue.

Civil-Military Relations

¶9. (C) The Ambassador thanked the Prime Minister for Bangladesh's participation in the Asian Pacific Center for Security Studies (APCSS) Security Sector Development Workshop held in October in Hawaii, noting in particular the useful role played by her son Sajeeb Wazed. The Prime Minister appeared pleased with this news and agreed that all the political parties in Bangladesh shared an interest in civilian-military cooperation. She expressed her support for the follow-on APCSS Civil-Military Relations Workshop to be held in Bangladesh November 16-18, 2009. The Ambassador commented that he still had concerns about civilian-military relations in Bangladesh and viewed the BDR Mutiny as a symptom of historically poor civilian-military relations. In a one-on-one "off-the-record" conversation with the Ambassador, the Prime Minister asked for USG assistance in helping ensure "that the (Bangladesh) military is really very careful" and accepting of the civilian authority.

The Politics of Opportunism: Relations with BNP

¶10. (C) In Hasina's view, "lack of participation by the opposition BNP in Parliament means that they are waiting for something to happen. We are hearing of a BDR-like upsurge in December." Expressing exasperation with the BNP-led opposition, Hasina lamented the intransigence of BNP leader Khaleda Zia and BNP elected Members of Parliament who refused to attend Parliamentary meetings, surmising, "They don't believe in democracy." The Prime Minister singled out Zia's

DHAKA 00001023 003 OF 003

refusal to accept invitations to important events such as an all-party poverty conference on poverty ("They said she would come but only if she could speak for thirty minutes. So I reduced my speaking time. And then she didn't come.") The Prime Minister thought Zia might accept her invitation to the November 21 Army Day celebration, &but they are trying to play the game."

¶11. (C) In a light-hearted moment, the Prime Minister suggested that because of in-fighting within the BNP "there is some good coming to us. Every day I am listening." The Prime Minister then offered a humorous reenactment of various BNP leaders who had visited her in search of political nominations. She opined, "Bangladesh is small and many people in the BNP belonged to a Leftist Party or Muslim League. My father's house was the place to come for the Muslim League. We all know each other from childhood and they (BNP cadre) have good access to me. They come to me and say, 'Aapa (Sister), we can talk to you but we can't talk to our leader.'" She and her advisors laughed in recollection of an encounter with a BNP sycophant in London, "He stood ready to serve by becoming a minister in my government." The Prime Minister added that she believed in multi-party democracy and that it was part of her heritage but "I don't want these opportunistic people."

Corruption

¶12. (C) Explaining how she chose appointees within her own government, the Prime Minister said "Even this time, I didn't make some of our Awami League leaders into ministers. I decided to go fresh) that way they wouldn't have had time to learn corruption." Hasina and her advisors only half joked that the new ministers in the ruling Awami League government "have their own money. They are barristers and PhDs. They have a background of public service and they don't need to or know to take." The Prime Minister then outlined her zero tolerance policy on corruption. "I tell them, 'I am watching. In my anti-corruption drive we will investigate each and every one. If you are found doing anything, there will be no tolerance. We will not need to go to the media. We will just recover the money that you have stolen.'"

Comment

¶13. (C) Compared to recent meetings where she had been more in a receiving mode, Hasina was engaged and focused in this meeting. The investments the USG has made in cultivating our relationship with the PM since January, including most recently the high level interactions in New York during UNGA, have clearly paid off. We have a consensus with Bangladesh on the issues that form the basis for our bilateral agenda. Now our primary task is follow through, recognizing the lack of capacity and continued presence of spoilers within Hasina's administration. We can take comfort in knowing, however, that we have support (and ready access) at the top.
MORIARTY